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**BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.**

DEPT. OF TRANSPORTATION
DOCKETS

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In the Matter of

**Computer Reservation Systems
(CRS) Regulations**

Dockets

**OST-97-2881-184
OST-97-3014-51
OST-98-4775-96**

**MOTION FOR LEAVE TO FILE OTHERWISE
UNAUTHORIZED DOCUMENT AND REPLY OF THE AIR CARRIER
ASSOCIATION OF AMERICA TO REPLY COMMENTS**

Communications with respect to this document should be addressed to:

Edward P. Faberman
Michelle M. Faust
AIR CARRIER ASSOCIATION
OF AMERICA
1500 K Street, NW, Suite 250
Washington, DC 20005-1714
Tel: 202-639-7502
Fax: 202-639-7505

October 27, 2000

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On August 29, 2000 and October 23, 2000, the Air Carrier Association of America (ACAA) filed Comments in response to the Department's supplemental advance notice of proposed rulemaking to address the significant changes that have occurred in airline distribution and the computer reservation systems (CRS) business. ACAA requested that 14 CFR § 255.10(a), which provides for the sale of CRS data to air carriers, be amended to prohibit an airline from purchasing another carrier's data. This clause is necessary because the sale of CRS data enables large carriers to take anti-competitive steps to drive new entrants from markets. Not unexpectedly, in their Reply Comments, the large carriers have opposed ACAA's proposal to modify Section 255.10(a). Pursuant to 14 CFR § 302.6(c), ACAA moves for leave to file a Reply to the Reply Comments in order to respond to some of the arguments made by the large carriers to retain Section 255.10(a).

In its Reply Comments, American Airlines contends that "MIDT allows carriers to use their assets in a more efficient manner by more closely identifying where consumer

demand is going unmet” (American Reply Comments at 21) and that “[b]y preventing carriers from using the best information available, the Department would create less efficient markets, which in the end would increase costs.” (Id. at 22) Northwest states that:

Section 255.10(a) should be retained without amendment because CRS booking data are the best planning tool available to airlines for determining how to meet consumer demand. Analysis of the data allows airlines to add new or expanded services where they are needed.

(Northwest Reply Comments at 8)

A regulation that allows data to be provided to airlines that shows which travel agencies and corporations have purchased seats on a competitor does not create a more competitive market. What it does do is provide large carriers with yet another predatory weapon to target the beginnings of competition by new entrants and drive them out of controlled and protected markets. Perhaps what the large carriers are suggesting is that markets will be more efficient with less competition, and therefore the provision should be left alone. This view, of course, is antithetical to the founding principles of deregulation to promote competition and new entry. If the large carriers succeed in retaining Section 255.10(a), the real “increase” of costs will be those consumers are left with in markets without competitive choices.

American raises the question that “[l]arge airlines use all kinds of sophisticated information systems to compete - should those systems be barred as well?” (American at 21) What makes the sale of CRS data so objectionable is that it is provided for by a government regulation. This is not some industry practice that has developed over time

which unfairly targets new entrants. It is an unfair practice brought about by the Department's own regulations. If a large carrier wants to assess passenger loads through its own resources, including having people stand at gates and count passengers, it can continue to do so.

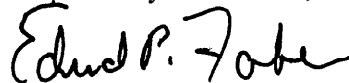
The ability to obtain CRS information is objectionable to corporations, travel agencies, small airlines, and the public. In the days when true competition existed and several carriers equally served markets, sharing this data might have been reasonable. Competition hardly exists any longer. What CRS information is needed at dominated hubs? For example, today American has 30 flights per day from Dallas to the New York area while Legend Airlines has 4. Delta has 41 flights to the New York area while AirTran has 12. Northwest Airlines has 23 flights to the New York area while Sun Country has 2. What legitimate information do these large carriers need to have on sales to New York? Their only interest is in finding out who dares to purchase seats on the new entrant. As Abraham Lincoln stated:

...[Y]ou may fool all of the people some of the time; you can even fool some of the people all the time; but you can't fool all of the people all the time.

[To a caller at the White House. From Alexander K. McClure, *Lincoln's Yarns and Stories*, 1904.]

ACAA urges the Department to immediately suspend Section 255.10(a).

Respectfully Submitted,



Edward P. Faberman

Michelle M. Faust

Air Carrier Association of America

1500 K Street, NW, Suite 250

Washington, DC 20005-1714

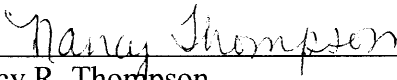
Tel: 202-639-7502

Fax: 202-639-7505

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CERTIFICATE OF SERVICE

I hereby certify that on October 27, 2000, a copy of the MOTION FOR LEAVE TO FILE OTHERWISE UNAUTHORIZED DOCUMENT AND REPLY OF THE AIR CARRIER ASSOCIATION OF AMERICA TO REPLY COMMENTS was served upon the parties on the attached service list.



Nancy R. Thompson

Carl B. Nelson, Jr.
Associate General Counsel
American Airlines, Inc.
1101 17th Street, NW, Suite 600
Washington, DC 20036

Jeffrey A. Manley
Wilmer, Cutler & Pickering
2445 M Street, NW
Washington, DC 20037

Thomas L. Ray
Department of Transportation
400 7th Street, SW
Room 4102
Washington, DC 20590

Joanne W. Young
Baker & Hostetler, LLP
1050 Connecticut Ave., NW
Suite 1100
Washington, DC 20036

Robert W. Kneisley
Southwest Airlines Co.
1250 Eye Street, NW
Suite 1110
Washington, DC 20005

Roger W. Fones
John R. Reed
Antitrust Division
Department of Justice
325 7th Street, NW, Suite 500
Washington, DC 20530

Joel Stephen Burton, Esq.
Donald T. Bliss
O'Melveny & Myers, LLP
555 13th Street, NW, Suite 500 West
Washington, DC 20004

Elliott M. Seiden
Megan Rae Rosia
Associate General Counsel
Northwest Airlines, Inc.
901 15th Street, NW, Suite 310
Washington, DC 20005

R. Bruce Keiner
Crowell & Moring LLP
1001 Pennsylvania Ave., NW
Suite 1100
Washington, DC 20004

Robert E. Cohn
Shaw Pittman
2300 N Street, NW
Washington, DC 20037

Lauraday Kelly
Association of Retail Travel Agents
854 Sir Thomas Court
Suite 3
Harrisburg, PA 17109

Mr. Robert L. Darbelnet
President & CEO
American Automobile Association
1000 AAA Drive
Heathrow, FL 32746-5063

Andrew B. Steinburg, Esq.
Senior Vice President & General Counsel
The SABRE Group, Inc.
4333 Amon Carter Blvd., MD 5675
Fort Worth, TX 76155

Robert P. Silverberg, Esq.
Klein & Bagileo
1101 30th Street, NW, Suite 120
Washington, DC 20007

Marianne McInerney
Director of Communications
National Business Travel Assn. Inc. (NBTA)
1650 King Street, Suite 401
Alexandria, VA 22314-2747

Albert A. Foer
President
American Antitrust Institute
2919 Ellicott Street, NW
Washington, DC 20008

Mr. Kenneth M. Mead
Inspector General
Department of Transportation
400 Seventh Street, S.W.
Washington, DC 20590

Gary R. Doernhoefer
General Counsel
ORBITZ
200 S. Wacker Drive
19th Floor
Chicago, IL 60606

Douglas L. Abramson
VP, General Counsel & Secretary
Worldspan, LP
300 Galleria Parkway
Atlanta, GA 30339

Paul Ruden
Senior Vice President
American Society of Travel Agents
1101 King Street
Alexandria, VA 22314

John K. Hawks
Association of Retail Travel Agents
2692 Richmond Road
Suite 202
Lexington, KY 40509